



## **Testimony**

Leslie A. Hotaling, Director  
District Department of Public Works

### **Fiscal Year 2004 Budget Hearing**

April 2, 2003

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Good afternoon, Madam Chairperson, members of the Council, and staff. I am Leslie Hotaling, Director of the Department of Public Works (DPW). With me today is Pamela Graham our Associate Chief Financial Officer; Tom Henderson, Solid Waste Management Administrator; Kevin Green, Administrator, Office of Administrative Services; Michael Belak, Chief Information Officer; Ron Flowers, Fleet Management Administrator and Teri Adams, Parking Services Administrator.

## **THE DEPARTMENT OF PUBLIC WORKS**

The Department of Public Works (DPW) renders some of the most visible, time-sensitive and labor-intensive services provided by the District government. Our sanitation enforcement, refuse collection, nuisance abatement, street cleaning and parking services are delivered across all quadrants and all neighborhoods, door-to-door and block-by-block.

I am happy to report that after years of inadequate funding, personnel and equipment shortages and public skepticism, DPW is an agency that has worked hard to climb out of a very deep hole, rebuild its infrastructure, restore public confidence and get back to the business of serving our city.

In 1997, there was no curbside recycling, RPP enforcement was inconsistent, the Control Board called our fleet decrepit and the Blizzard of '96 was still painfully fresh in the minds of many. It makes me a little queasy just thinking about it. DPW and the Administration, with the help of this Council, and your leadership Chairperson Schwartz, have righted many of those wrongs. In fact, much of the media coverage in 2002 cited improved DPW services as one of the strides made by the Williams Administration.

Together, we are working around the clock to keep our neighborhoods and thoroughfares clean, safe and attractive through steadily improving trash collection, strategically deploying street and alley cleaning, responsible solid waste disposal, more comprehensive parking enforcement, and improved fleet management.

Our biggest challenges – recycling collection and abandoned auto removal – have been the focus of ongoing planning and actions designed to fix two programs that have suffered from long-term flaws. Operationally, our goal is delivering on-time, scheduled services to the residents of the District of Columbia.

We believe that the funding provided in the FY 2004 budget will afford us the opportunity to sustain many of the operational improvements made possible by the Mayor and this Council.

Since we were here testifying before you just a few weeks ago, I will dispense with the usual rundown of DPW services and recent accomplishments. Instead, I would like to focus my testimony on what is different, new and improved in our proposed FY 2004 budget.

#### **OPERATING BUDGET FY2003/BUDGET REQUEST FY2004**

As you know, I have long been a proponent of Performance Based Budgeting; a model that clarifies operational needs by tying funds directly to activities and, ultimately, service delivery outcomes.

Adopting Performance Based Budgeting this year gave DPW a framework on which to build, and “forced” us to strictly prioritize our most critical activities while accounting for every dollar spent. This exercise enabled DPW to more effectively compete for resources during the recent wave of budget cuts. I can honestly say that the proposed budget before you represents a spending plan free of any fluff or frills.

That's the good news. The bad news is that further decreases cannot be absorbed without cutting specific programs.

**Let me begin with our Seat Management request for \$279,000.**

We are very excited about this enhancement proposed for our Seat Management program. DPW programs are now increasingly reliant on Information Technology systems for tracking performance, managing inventory, diagnosing mechanical problems, ordering parts and supplies, as well as delivering information and customer service, internally to other agencies and externally to our residents.

Unfortunately, most of our personal computers were purchased in preparation for Y2K and are now beyond their useful life and starting to fail. Just as we have worked with the Council to institute a standard replacement program for our vehicles and heavy equipment, we must now implement a standard replacement program for our personal computers to ensure the continued reliable performance of DPW's programs that serve our residents.

In FY 2003, DPW was one of the first agencies to prototype a new program from the Office of the Chief Technology Officer called "Seat Management." This program provides the essential service to maintain and repair our personal computers, local area networks and provide a customer Help Desk used by DPW employees to rapidly resolve computer related problems.

In FY 2004, DPW has submitted this addendum for the incremental funding to complete this essential DPW program. This addendum provides for a standard replacement program for all DPW personal computers and one dedicated FTE to

manage the agency's IT assets, maintain an accurate inventory of government property and ensure proper disposal at the end of the asset's useful life.

This addendum is required to sustain the timely performance of DPW's programs depended upon by our residents. Department-wide, our Information Technology applications will be adversely affected without these requested funds. Program services will erode if the computers supporting them no longer work. We may see slower response times and the strides we have made in performance tracking and accountability will vanish.

**Our second addendum is for Centralized Towing, a request of \$315,000 in local funds.**

DPW proposes to create a "AAA" model of towing for the District, in part, by expanding dispatch capacity from 5 days/12 hours per day to 7 days/24 hours per day. The program start-up is underway – technology infrastructure has been purchased, regulations promulgated, and dispatch concept of operations designed.

DPW's FY 2003 budget currently provides \$380,000 in local funding for 11 staff providing dispatch service 5 days, 60 hours per week. DPW also received an enhancement of \$700K in NPS funds to purchase centralized towing systems infrastructure.

The addendum requests 3 things:

- Reallocation of the \$305,000 from NPS to PS;

- Authority for 14 additional FTEs, including one database administrator, two supervisors, and 11 dispatchers to provide round-the-clock dispatch coverage, and
- \$315,000 in new PS funding.

This addendum is required to fully implement the envisioned Centralized Towing Program by late fall 2003.

**The addendum for the Abandoned and Junk Vehicle Division requests \$763,000 in local funds.**

In FY 2003, the AJVD budget is \$1,074,082, with estimated revenue of \$600,000. The AJV Program historically runs a shortfall of more than \$400,000. The poor condition of most abandoned vehicles precludes generating sufficient funds at auction, so DPW makes up the deficit by redirecting funds from NPS needs.

Additionally, AJVD is stifled due to a shortage of investigative staff and an antiquated information system. The existing information system is nearly thirteen years old. Needless to say, it is no longer under warranty. It uses obsolete computer software that cannot communicate with more modern computer systems such as MPD's WALES system or DMV's DESTINY system.

Fortunately, draft legislation addressing process challenges is pending before this committee. Once the legislation is enacted, we estimate that these process improvements will result in increased revenue as a result of increased throughput at the Blue Plains Storage and Auction Facility.

The proposed addendum requests 2 things:

- Authority for 9 additional FTEs (investigation staff and support), and
- \$763,000 additional funding to make the program whole, including \$328,000 for a one-time IT upgrade to our lot management system.

Without this funding the District will continue to endure unacceptable response times to remove and dispose of abandoned vehicles and DPW will be forced to continue to “find the money” by scrimping on existing funded services.

**The addendum for Nuisance Abatement includes authority for 6 FTEs paid from O-type funds.**

These positions replace the labor previously provided by the Departments of Corrections and Employment Services. DPW has sufficient funds for this request in O-type fund 6591. This addendum would enable us to hire a dedicated nuisance abatement work crew, improving response time for vacant lot and illegal dumping cleanups without affecting local funds.

In FY 2002, there were 582 properties cited for abatement violations under the Litter Control Act, of which 510 were abated by DPW and costs charged back to the property owner.

Fortunately, tougher enforcement teeth – “Clean Hands” and placing special assessments on taxes – have resulted in increased revenues into the nuisance abatement fund. In 1999, nuisance abatement cleaning generated \$258,106. By 2002, that figure had almost doubled to \$474,578. In FY 2003, we anticipate revenues of \$650,000.

This addendum does not affect the \$323,000 in local funds previously dedicated to pay DOC and DOES. Those funds will now be applied to contracts with several small, disadvantaged businesses to meet the peak demand during the warmer months.

In FY 2002, we had a 60-90 day backlog of properties needing abatement. This addendum will help us reduce that timeframe to 30 days.

**Our final addendum is for the Fleet Management Administration's requesting authority for 2 FTEs from O-Type funds.**

The Fleet Management Administration (FMA) has utilized local funds to provide up-front maintenance and fuel services to independent agencies, such as WASA and DC Housing Authority. Annual fuel and maintenance services to the independent agencies cost approximately \$500,000. Their payments were placed in a non-dedicated O-type account.

Beginning in FY 2003, FMA is funded solely through intra-District transfers. There is no longer a way to absorb the cost of providing service to these independent agencies. This addendum is critical to ensure that Fleet Management maintains the integrity of operations for its internal service fund.

The addendum requests the establishment of a dedicated O-type revenue fund and \$500,000 in O-type budget authority, as well as 2 FTEs. Without this addendum, independent agencies will have to find alternative fuel and maintenance services for their fleets, resulting in increased costs.



The proposed FY 2004 operating budget for DPW is \$108,108,563, an increase of only 1.1 percent over FY 2003. The budget is divided almost evenly between Personal Services and Non-Personal Services. It includes \$91,993,000 from local funds, supporting 1,124 FTEs. The proposed Intra-District budget is \$13,896,907 supporting 120 FTEs. This represents a “decrease” of 14 percent, which is actually a result of the reallocation of 19 FTEs from intra-District to local funds. Special Purpose Revenue Funds have been reduced in the same way by approximately 1 percent due to a reallocation of 17 FTEs to local funds.

**I would now like to discuss DPW’s Capital Budget Request for FY 2004.**

The proposed capital budget submission is \$8,600,000 for two existing facility renovations, at the Fort Totten and Benning Road Transfer Stations, as well as one new project.

During the redesign of the Fort Totten Transfer Station, it was determined that the 30-year old tipping floor had to be completely rebuilt due to extensive structural damage. Additionally, the roof over a portion of the building had to be lifted to allow for the unloading of the larger private collection vehicles now used in the District and additional scales had to be added to improve trailer loading efficiency. That request is for \$1,700,000.

The Benning Road Transfer Station has also needed extensive repairs and renovation for many years. Specifically, the old incinerator needed to be demolished: the entrance and exit ramps had to be rebuilt; the roof over a portion of the building had

to be raised to allow for the unloading of the larger private collection vehicles, and additional scales had to be added. That request for FY 2004 is \$2,700,000.

The new capital project involves the renovation of the District garage at 201 Bryant Street, NW, which will be used as a storage and operating facility for the Street and Alley Cleaning Division. The current facility, at 900 New Jersey Avenue, SE is slated for economic development.

I would like to note that a Condition Assessment Report for DC Office of Property Management dated 3/5/02 estimated renovations would cost \$3,658. This is approximately \$70 per square foot or about half of the cost of a replacement facility. An additional \$541,267 is requested to furnish and equip the renovated building for operations.

## **CONCLUSION**

DPW's proposed FY 2004 budget is our statement of intent – our contract with the residents of Washington, DC to wring every drop of quality performance from the dollars we have to spend. As I said in the opening of this presentation, we are striving to give our customers – our neighbors and fellow residents – truly reliable on-time service. This is the standard by which we hope to demonstrate our accountability and our progress.

I want to take this opportunity to thank you, Madam Chair, for your ongoing support and that of the Committee on Public Works and the Environment. I am happy to answer any questions you may have.